

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF NOVEMBER 30, 2004**

	November-04				October-04				September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	Net ROR	Net ROR	Ended	Ended
															6/30/2004	6/30/2004
															Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
LA Capital	60,440,993	4.4%	4.5%	5.37%	57,377,264	4.3%	4.5%	0.11%	57,289,937	4.4%	4.5%	-4.17%	1.09%	N/A	N/A	N/A
Total Structured Growth	60,440,993	4.4%	4.5%	5.37%	57,377,264	4.3%	4.5%	0.11%	57,289,937	4.4%	4.5%	-4.17%	1.09%	19.20%	-5.87%	-7.07%
<i>Russell 1000 Growth</i>				3.44%				1.56%				-5.23%	-0.44%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																
LSV	67,010,789	4.9%	4.5%	6.34%	63,063,633	4.7%	4.5%	-0.17%	63,142,110	4.8%	4.5%	3.11%	9.47%	29.44%	9.20%	8.31%
<i>Russell 1000 Value</i>				5.06%				1.66%				1.54%	8.45%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>																
LA Capital	80,857,855	5.9%	6.0%	4.64%	77,303,655	5.8%	6.0%	0.73%	76,718,414	5.8%	6.0%	-2.24%	3.04%	18.59%	-0.17%	N/A
<i>Russell 1000</i>				4.28%				1.61%				-1.81%	4.04%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>																
Northern Trust	81,731,479	5.9%	6.0%	4.00%	78,621,852	5.9%	6.0%	1.64%	77,325,237	5.9%	6.0%	-2.17%	3.42%	19.00%	-0.31%	N/A
Strong	1	0.0%	0.0%	N/A	1	0.0%	0.0%	N/A	64	0.0%	0.0%	N/A	N/A	21.13%	-0.06%	N/A
Westridge	81,397,774	5.9%	6.0%	4.06%	78,263,313	5.9%	6.0%	1.56%	77,034,816	5.9%	6.0%	-1.94%	3.63%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	163,129,254	11.9%	12.0%	4.03%	156,885,166	11.8%	12.0%	1.60%	154,360,118	11.8%	12.0%	-2.13%	3.44%	19.81%	-0.24%	N/A
<i>S&P 500</i>				4.05%				1.53%				-1.87%	3.66%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>																
State Street	41,488,513	3.0%	3.0%	4.04%	39,876,602	3.0%	3.0%	1.53%	39,268,327	3.0%	3.0%	-1.87%	3.66%	19.08%	-0.67%	-2.17%
<i>S&P 500</i>				4.05%				1.53%				-1.87%	3.66%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	412,927,405	30.0%	30.0%	4.71%	394,506,321	29.7%	30.0%	0.92%	390,778,905	29.8%	30.0%	-1.59%	4.00%	20.38%	0.08%	-2.14%
<i>S&P 500</i>				4.05%				1.53%				-1.87%	3.66%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	149,494,845	10.9%	10.0%	8.16%	138,259,648	10.4%	10.0%	2.26%	135,169,121	10.3%	10.0%	-3.59%	6.63%	33.33%	5.76%	N/A
<i>Russell 2000 + 200bp</i>				8.84%				2.14%				-2.36%	8.54%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	149,494,845	10.9%	10.0%	8.16%	138,259,648	10.4%	10.0%	2.26%	135,169,121	10.3%	10.0%	-3.59%	6.63%	33.33%	5.76%	6.81%
<i>Russell 2000</i>				8.67%				1.97%				-2.86%	7.65%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY																
<i>Large Cap - Core</i>																
State Street	14,888,854	1.1%	1.0%	5.42%	27,855,249	2.1%	2.0%	3.85%	26,805,666	2.0%	2.0%	-1.24%	8.12%	27.44%	0.42%	-1.44%
<i>MSCI EAFE - 50% Hedged</i>				4.77%				2.12%				-0.72%	6.22%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>																
Capital Guardian	42,908,102	3.1%	3.0%	3.93%	65,954,533	5.0%	5.0%	2.12%	64,488,204	4.9%	5.0%	-1.48%	4.57%	25.40%	-1.15%	1.54%
LSV	40,359,944	2.9%	3.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	933,615	0.1%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	14,526,674	1.1%	1.0%	6.20%	13,676,551	1.0%	1.0%	3.48%	13,174,680	1.0%	1.0%	-1.07%	8.72%	23.61%	N/A	N/A
Total Large Cap - Active	98,728,334	7.2%	7.0%	4.32%	79,631,084	6.0%	6.0%	2.35%	77,662,885	5.9%	6.0%	-1.41%	5.27%	25.11%	-0.79%	1.76%
<i>MSCI EAFE - 50% Hedged</i>				4.77%				2.12%				-0.72%	6.22%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>																
Lazard	14,345,768	1.0%	1.0%	7.56%	13,330,695	1.0%	1.0%	3.46%	14,085,757	1.1%	1.0%	0.76%	12.12%	44.40%	N/A	N/A
Wellington	14,082,907	1.0%	1.0%	5.05%	13,415,132	1.0%	1.0%	3.55%	12,921,174	1.0%	1.0%	-4.63%	3.74%	42.26%	N/A	N/A
Total Small Cap - Active	28,428,675	2.1%	2.0%	6.30%	26,745,827	2.0%	2.0%	3.50%	27,006,931	2.1%	2.0%	-1.92%	7.91%	43.25%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				7.70%				3.40%				-0.82%	10.45%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	142,045,863	10.3%	10.0%	4.94%	134,232,160	10.1%	10.0%	2.89%	131,475,481	10.0%	10.0%	-1.47%	6.39%	29.19%	2.00%	1.63%
<i>MSCI EAFE - 50% Hedged</i>				4.77%				2.12%				-0.72%	6.22%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY																
<i>Capital Guardian</i>																
MSCI Emerging Markets Free	73,350,785	5.3%	5.0%	6.91%	68,607,692	5.2%	5.0%	2.79%	66,748,065	5.1%	5.0%	7.64%	18.29%	27.91%	8.93%	2.83%
				9.26%				2.40%				8.25%	21.12%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	32,929,146	2.4%	2.5%	-0.67%	33,141,160	2.5%	2.4%	0.88%	32,846,945	2.5%	2.4%	3.67%	3.88%	2.02%	8.00%	8.39%
<i>Lehman Aggregate</i>				-0.80%				0.84%				3.20%	3.23%	0.32%	6.35%	6.95%
<i>Active Duration</i>																
WestAM (Criterion)	32,545,874	2.4%	2.5%	-0.53%	32,698,730	2.5%	2.4%	0.72%	32,455,709	2.5%	2.4%	2.75%	2.94%	-0.25%	5.14%	6.43%
<i>Lehman Aggregate</i>				-0.80%				0.84%				3.20%	3.23%	0.32%	6.35%	6.95%
<i>Index</i>																
Bank of ND	54,656,520	4.0%	4.4%	-1.18%	55,313,975	4.2%	4.4%	0.86%	54,841,820	4.2%	4.4%	3.46%	3.11%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	21,819,157	1.6%	1.6%	0.41%	21,730,584	1.6%	1.6%	0.42%	21,639,059	1.6%	1.6%	1.21%	2.06%	5.08%	5.57%	5.70%
Total Index	76,475,676	5.6%	6.0%	-0.71%	77,044,559	5.8%	6.0%	0.73%	76,480,879	5.8%	6.0%	3.05%	3.07%	0.23%	6.79%	6.83%
<i>Lehman Gov/Credit</i>				-1.11%				0.87%				3.56%	3.29%	-0.72%	6.73%	7.10%
<i>Convertibles</i>																
TCW	33,595,363	2.4%	2.5%	4.01%	32,280,695	2.4%	2.4%	1.17%	31,900,431	2.4%	2.4%	-3.94%	1.08%	16.74%	0.51%	3.89%
<i>First Boston Convertible Index</i>				3.22%				0.39%				-1.05%	2.53%	14.44%	4.95%	5.78%

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INVESTMENT PERFORMANCE REPORT AS OF NOVEMBER 30, 2004**

	November-04				October-04				September-04				Current Fiscal YTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
BBB Average Quality																
Strong	32,876,467	2.4%	2.5%	-0.62%	33,015,546	2.5%	2.4%	1.28%	32,084,003	2.4%	2.4%	4.62%	5.30%	1.29%	6.26%	7.23%
Lehman BBB				-0.90%				1.03%				4.76%	4.89%	1.23%	8.23%	6.60%
Timberland																
RMK	38,183,999	2.8%	2.8%	-0.07%	38,183,999	2.9%	2.9%	-0.07%	38,262,677	2.9%	2.9%	3.86%	3.70%	10.46%	N/A	N/A
TIR	73,154,971	5.3%	5.3%	0.12%	73,069,727	5.5%	5.5%	-0.07%	73,069,727	5.6%	5.6%	N/A	N/A	N/A	N/A	N/A
Total Timberland	111,338,970	8.1%	8.1%	0.05%	111,253,726	8.4%	8.4%	-0.07%	111,332,404	8.5%	8.5%	3.86%	3.84%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	319,761,496	23.3%	24.0%	0.06%	319,434,418	24.0%	24.0%	0.56%	317,100,371	24.2%	24.0%	2.69%	3.33%	5.08%	6.35%	7.34%
Lehman Aggregate				-0.80%				0.84%				3.20%	3.23%	0.32%	6.35%	6.95%
HIGH YIELD BONDS																
Loomis Sayles	35,532,841	2.6%	2.5%	1.69%	34,924,876	2.6%	2.5%	2.61%	33,996,575	2.6%	2.5%		10.85%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				1.18%				1.79%					7.98%	N/A	N/A	N/A
Sutter/Wells Capital	34,979,267	2.5%	2.5%	1.21%	34,555,085	2.6%	2.5%	1.71%	33,962,583	2.6%	2.5%		7.26%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				1.08%				1.89%					7.76%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	70,512,108	5.1%	5.0%	1.45%	69,479,961	5.2%	5.0%	2.16%	67,959,158	5.2%	5.0%		9.04%	7.69%	6.68%	2.79%
Lehman High Yield Bond Index				1.21%				1.81%					8.03%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME																
International Sovereign																
UBS Global (Brinson)	34,806,221	2.5%	2.5%	4.71%	33,227,042	2.5%	2.5%	3.59%	31,745,541	2.4%	2.5%	3.06%	11.78%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (1)				4.88%				3.53%				3.29%	12.15%	7.59%	13.65%	6.84%
International Core																
Brandywine	34,834,767	2.5%	2.5%	4.17%	33,344,247	2.5%	2.5%	2.86%	32,681,900	2.5%	2.5%	4.74%	12.22%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				4.90%				3.46%				3.49%	12.32%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	69,640,989	5.1%	5.0%	4.44%	66,571,290	5.0%	5.0%	3.22%	64,427,440	4.9%	5.0%	3.90%	12.00%	8.78%	14.41%	6.59%
Citigroup Non-US Gov't Bond Index (1)				4.88%				3.53%				3.29%	12.15%	7.59%	13.65%	6.84%
REAL ESTATE																
JMB	6,030			0.00%	10,054			0.00%	10,054			16.49%	16.49%	1.45%	-5.90%	-3.04%
INVESCO	28,248,117			0.00%	28,248,266			3.89%	27,191,276			-5.91%	-2.25%	6.72%	5.80%	7.59%
J.P. Morgan	35,807,699			0.88%	35,494,279			0.12%	35,451,816			3.83%	4.87%	11.11%	7.63%	9.54%
TOTAL REAL ESTATE	64,061,847	4.7%	5.0%	0.46%	63,752,599	4.8%	5.0%	1.89%	62,653,146	4.8%	5.0%	-0.88%	1.46%	8.87%	6.70%	8.55%
NCREIF TOTAL INDEX				1.13%				1.13%				3.42%	5.76%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS																
Brinson IVCF II	167,131			0.00%	168,265			0.00%	169,353			0.40%	0.40%	19.39%	-7.72%	4.43%
Coral Partners II	121,653			0.00%	121,653			0.00%	120,310			-0.35%	-0.35%	14.14%	-16.27%	-15.91%
Coral Partners V	5,605,166			0.00%	5,633,162			0.00%	5,897,185			6.37%	6.37%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	661,975			0.00%	665,281			0.00%	701,331			2.37%	2.37%	30.44%	N/A	N/A
Coral Partners VI	3,640,305			0.00%	3,682,741			0.00%	3,813,950			-0.28%	-0.28%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	1,389,346			0.00%	1,689,062			0.00%	1,687,069			3.37%	3.37%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	2,505,526			0.00%	2,518,038			0.00%	2,515,067			0.48%	0.48%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	4,640,979			0.00%	4,664,155			0.00%	4,658,652			3.01%	3.01%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	2,549,627			0.00%	2,107,267			0.00%	2,104,781			0.81%	0.81%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	1,541,895			0.00%	1,186,346			0.00%	1,184,946			-4.97%	-4.97%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	257,274			0.00%	258,559			0.00%	158,669			-2.71%	-2.71%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,447,867			0.00%	1,455,098			0.00%	1,453,381			5.73%	5.73%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	1,643,264			0.00%	1,774,226			0.00%	1,772,133			3.24%	3.24%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	1,257,203			0.00%	1,083,717			0.00%	1,082,438			0.86%	0.86%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	1,983,059			0.00%	1,767,892			0.00%	1,765,806			0.27%	0.27%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	558,562			0.00%	382,045			0.00%	381,594			-0.12%	-0.12%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	73,729			0.00%	74,097			0.00%	74,010			0.09%	0.09%	N/A	N/A	N/A
Brinson BVCF IV	7,486,656			0.00%	8,564,142			0.00%	8,328,279			6.66%	6.66%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	8,621,048			0.00%	8,171,969			0.00%	8,162,327			-3.26%	-3.26%	13.00%	N/A	N/A
Matlin Patterson Global Opportunities II	3,953,253			0.00%	4,937,003			0.00%	-			N/A	N/A	N/A	N/A	N/A
InvestAmerica	1,868,953			0.00%	1,878,286			0.00%	1,876,070			17.28%	17.28%	-7.73%	N/A	N/A
Hearthstone MSII	563,924			0.00%	566,740			0.00%	213,768			106.69%	106.69%	28.64%	20.32%	N/A
Hearthstone MSIII	9,777,252			0.00%	9,826,037			0.00%	9,692,693			-0.08%	-0.08%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	62,315,648	4.5%	5.0%	0.00%	63,175,781	4.8%	5.0%	0.00%	57,813,811	4.4%	5.0%	2.90%	2.90%	3.23%	-12.85%	-1.69%
CASH EQUIVALENTS																
Northern Trust STIF/STEP	11,202,357	0.8%	1.0%	0.17%	11,904,953	0.9%	1.0%	0.13%	17,787,580	1.4%	1.0%	0.44%	0.74%	1.44%	1.86%	3.48%
90 Day T-Bill				0.15%				0.12%				0.37%	0.63%	0.98%	1.71%	3.29%
TOTAL FUND	1,375,313,342	100.0%	100.0%	3.44%	1,329,924,822	100.0%	100.0%	1.44%	1,311,913,079	100.0%	100.0%	0.50%	5.45%	16.66%	4.65%	3.78%
POLICY TARGET BENCHMARK				3.19%				1.51%				0.99%	5.80%	14.79%	4.29%	3.62%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(2) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.